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Volume 6

MILK MARKET INFORMATION
CHATTANOOGA, TENNESSEE, MARKETING AREA
DECEMBER 1961

Number 5

Released Pursuant to §1090.27 (j) and §1090.85, USDA-ASCS
Federal Order No. 90, 5916 Brainerd Road, Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

MARKET SUMMARY DECEMBER 1961

The MINIMUM uniform producer price is \$4.66 per cwt. f.o.b. Chattanooga Area pool plants for milk containing 4.0% butterfat. The producer butterfat differential is 7.6 cents for each one-tenth of one percent above or below 4.0 percent.

During December, 73.0% of the total producer milk was priced in Class I at \$5.10 per cwt. with a butterfat differential of 7.9 cents and 27.0% in Class II at \$3.65 per cwt. with a butterfat differential of 7.0 cents. The daily average use of gross Class I milk decreased 4.3% compared with November 1961 and increased 1.0% compared with December 1960.

Daily average delivery of milk from producers was 476,639 pounds in December 1961, an increase of 4,264 pounds per day compared with November 1961 and an increase of 34,990 pounds compared with December 1960. Percentage-wise, December deliveries increased 0.9% compared with November 1961 and increased 7.9% compared with December 1960. The daily average farm delivery was 696 pounds compared with 637 pounds per farm for December 1960, which is an increase of 59 pounds (6.9 gallons) per farm.

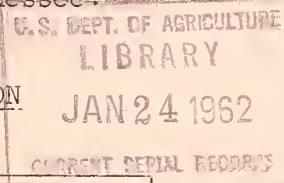
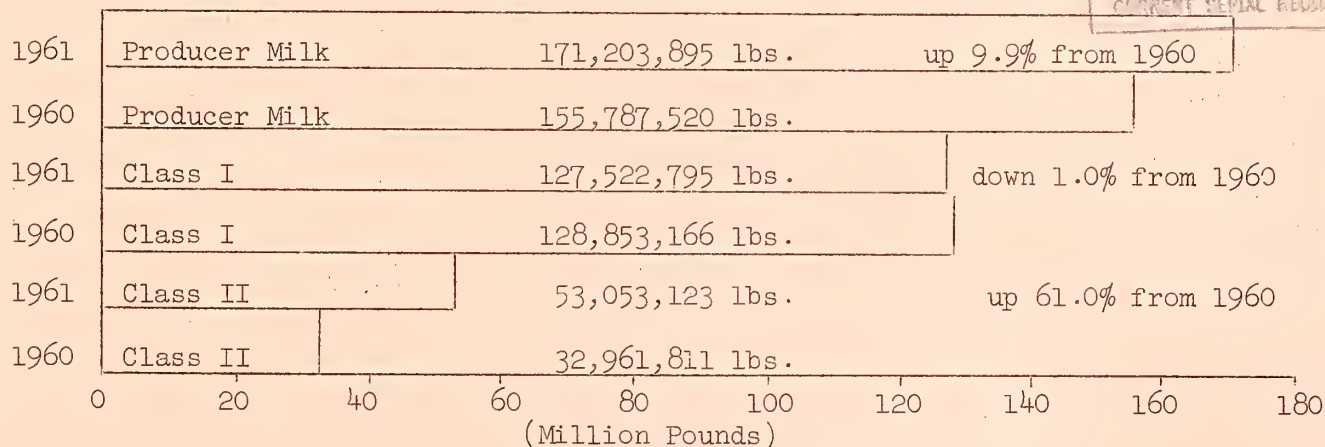
MILK SAMPLES TESTED - Producer Fresh Samples 6,014 - Handler Finished Products 249.

NUMBER OF FARM PAYROLL ACCOUNTS

	1960	1961											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
New	2	2	1	2	3	2	1	1	13	2	5	4	-
Quit	8	13	3	3	3	2	4	3	4	1	4	3	1
Total	693	682	680	679	679	679	676	674	683	684	685	686	685

MILK BASES - 1962 - The milk bases established during September 1961 - January 1962 will be announced before March 1, 1962. Base transfer requests must be written and sent to the Market Administrator, P.O. Box 8085, Chattanooga 11, Tennessee.

PRODUCER RECEIPTS COMPARED WITH GROSS CLASS UTILIZATION
(JANUARY THRU DECEMBER)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>Dec. '61</u>	<u>Nov. '61</u>	<u>Dec. '60</u>
Number of Plants (Pool and Non-Pool)	16	16	19
GROSS RECEIPTS POUNDS (DAILY)			
Producer Milk	476,639	472,375	441,649
% December '61 compared with:	100.0	100.9	107.9
Other Source Milk	10,359	5,924	13,402
Other Order Milk	<u>7,326</u>	<u>7,051</u>	<u>7,609</u>
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>494,324</u>	<u>485,350</u>	<u>462,660</u>
% December '61 compared with:	100.0	101.8	106.8
GROSS UTILIZATION POUNDS (DAILY)			
Class I Milk:			
Fluid Milk	290,964	302,770	292,669
Fluid Skim	13,627	13,245	9,758
Buttermilk	37,126	37,664	38,532
Chocolate Milk	6,628	7,646	6,747
Cream Mixture ($\frac{1}{2}$ & $\frac{1}{2}$)	1,303	1,266	1,145
Light Cream (X)	330	322	577
Heavy Cream (XX)	726	622	747
Sour Cream	395	328	339
Bulk to Non-Handlers	1,465	3,177	573
Class I Shrinkage	734	1,096	837
Inventory Reclassification	(1,302)	(306)	(3,626)
Overstates Sales	<u>(105)</u>	<u>-</u>	<u>(15)</u>
Total Class I Milk	<u>351,891</u>	<u>367,830</u>	<u>348,283</u>
% December '61 compared with:	100.0	95.7	101.0
Class II Milk: (Used to Produce)			
Butter	16,484	13,111	5,381
Cottage Cheese	12,156	14,236	12,002
Powdered and Condensed Milk	83,355	57,130	-
Ice Cream	15,038	15,849	14,689
Inventory Variation	(1,658)	5,451	(1,666)
Other	<u>17,058</u>	<u>11,743</u>	<u>83,971</u>
Total Class II Milk	<u>142,433</u>	<u>117,520</u>	<u>114,377</u>
% December '61 compared with:	<u>100.0</u>	<u>121.2</u>	<u>124.5</u>
<u>TOTAL UTILIZATION CL. I AND CL. II MILK LBS.</u>	<u>494,324</u>	<u>485,350</u>	<u>462,660</u>
 % Producer Milk of Gross Class I	 135.5	 128.4	 126.8
% Producer Milk Priced in Class I	73.0	76.9	77.2

DECEMBER 1961 TOTAL CLASS I UNIT SALES BY 12 POOL AND 4 NON-POOL PLANTS

	<u>GALS.</u>	<u>$\frac{1}{2}$ GALS.</u>	<u>QUARTS</u>	<u>PINTS</u>	<u>$\frac{1}{2}$ PINTS</u>	<u>PRODUCT LBS. $\frac{1}{2}$</u>	<u>%-TOTAL</u>
Standard Milk	-	*	20,103	-	-	43,223	.40
Homo Milk	243,761	1,140,882	396,244	293,996	1,582,576	8,976,662	82.48
Skim Milk	13,592	26,161	88,649	-	*	422,452	3.88
Buttermilk	7,404	162,087	169,373	15,880	16,784	1,150,891	10.57
Flavored Milk	-	*	35,890	83,207	86,897	205,469	1.89
Cream ($\frac{1}{2}$ & $\frac{1}{2}$)	-	-	3,420	31,167	*	40,383	.37
Light Cream (X)	-	-	4,690	-	706	10,219	.09
Heavy Cream (XX)	*	-	1,747	-	36,544	22,512	.21
Sour Cream	220	-	-	*	19,773	12,255	.11
				Total Pounds		<u>10,884,066</u>	<u>100.00</u>

* Distributed by less than three handlers; Added to other units.

$\frac{1}{2}$ Distribution out of the three-county marketing area by the 12 pool plants was 28.2% of the above total packaged product pounds.

NEW ADDRESS: OFFICE - 5916 Brainerd Road; MAILING - P. O. Box 8085

COMPUTATION OF UNIFORM PRODUCER PRICE FOR DECEMBER 1961

Based on 16 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test-%	Cwt. Price @ Test	Value
Gross Class I		10,908,621	3.564		
Less Other Source		126,452	2.343		
Producer Milk Class I	73.0	10,782,169	3.578566	\$4.767067	\$513,993.22
Gross Class II		4,415,405	6.274		
Less Other Source		421,782	2.550		
Producer Milk Class II	27.0	3,993,623	6.666829	5.516780	220,319.39
TOTAL PROD. (Cl. I + Cl. II)	100.0	14,775,792	4.413266		734,312.61
Add Fractional Adjustment					.02
Add Compensatory Payment Value					6.98
Add Overage Value					119.67
Add Inventory Reclassification Value					289.25
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					6,724.06
TOTAL VALUE AT TEST		14,775,792	4.413266		741,452.59
Less Test Over 4% @ 7.6¢ per point		14,775,792	.413266	0.314082	46,408.10
TOTAL VALUE AT 4.0%		14,775,792	4.0	4.703941	695,044.49
Less Producer-Settlement Fund Reserve		14,775,792		.043941	6,492.63
UNIFORM PRICE f.o.b. POOL PLANT - 4%		14,775,792	4.0	\$4.66	\$688,551.86

DECEMBER 1961 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
BUTTERFAT DIFFERENTIAL 7.6¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$3.90	3.6	\$4.356	4.2	\$4.812	4.8	\$5.268	5.4	\$5.724
3.05	3.938	3.65	4.394	4.25	4.85	4.85	5.306	5.45	5.762
3.1	3.976	3.7	4.432	4.3	4.888	4.9	5.344	5.5	5.80
3.15	4.014	3.75	4.47	4.35	4.926	4.95	5.382	5.55	5.838
3.2	4.052	3.8	4.508	4.4	4.964	5.0	5.42	5.6	5.876
3.25	4.09	3.85	4.546	4.45	5.002	5.05	5.458	5.65	5.914
3.3	4.128	3.9	4.584	4.5	5.04	5.1	5.496	5.7	5.952
3.35	4.166	3.95	4.622	4.55	5.078	5.15	5.534	5.75	5.99
3.4	4.204	4.0	4.66	4.6	5.116	5.2	5.572	5.8	6.028
3.45	4.242	4.05	4.698	4.65	5.154	5.25	5.61	5.85	6.066
3.5	4.28	4.1	4.736	4.7	5.192	5.3	5.648	5.9	6.104
3.55	4.318	4.15	4.774	4.75	5.23	5.35	5.686	5.95	6.142

JANUARY 1962 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Jan. '62	Dec. '61	Jan. '61
Basic Formula (See page 4)	\$3.65	\$3.65	\$3.82
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	(0.24)	(0.30)	(0.14)
Class I Price, 4.0% Butterfat	\$5.16	\$5.10	\$5.43
Per \$ 1090.51 (a)			

Supply-Demand Comparison: 1st and 2nd preceding months: November and December

Supply: Lbs. Producer Milk (Nov. 14,171,258 and Dec. 14,775,792) 28,947,050

Demand: Lbs. Net Class I Milk (Nov. 10,918,115 and Dec. 10,822,520) 21,740,635

Utilization Percentage: Producer milk divided by Class I 133

Standard Utilization Percentage: Range 117-121 121

Net Deviation Percentage: Utilization minus Standard Utilization plus 12

Supply-Demand Adjustment: 2 cents x 12 percentage points minus \$0.24

Since the supply in relation to the demand is more than the desired standard, the price is decreased 24 cents per hundredweight (2 cents x 12 percentage points).

CHATTANOOGA ORDER MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Dec.'60	\$4.84	-	-	7.6¢	\$5.29	8.0¢	\$3.50	7.0¢
Jan.'61	4.96	-	-	7.6	5.43	7.9	3.50	7.0
Feb.	4.96	-	-	7.6	5.43	7.9	3.21	7.0
Mar.	4.73 ^{2/}	\$4.89	\$3.17	7.6	5.29	7.9	3.21	7.0
Apr.	4.56 ^{2/}	4.78	3.15	7.6	5.26	7.9	3.19	7.0
May	4.43 ^{2/}	4.65	3.09	7.6	5.14	7.9	3.13	7.0
June	4.51 ^{2/}	4.69	3.07	7.6	5.16	7.9	3.11	7.0
July	4.58 ^{2/}	4.76	3.06	7.6	5.20	7.9	3.10	7.0
Aug.	4.55	-	-	7.6	5.20	7.9	3.10	7.0
Sept.	4.67	-	-	7.6	5.00	7.9	3.65	7.0
Oct.	4.61	-	-	7.6	5.04	7.9	3.65	7.0
Nov.	4.74	-	-	7.6	5.14	7.9	3.65	7.0
Dec.	4.66	-	-	7.6	5.10	7.9	3.65	7.0
Jan.'62	-	-	-	-	5.16	7.9	-	-

PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Mid-West Cond.	Chi.92 ^o Butter	Chi.Area Powders	Wisc. Cheese	Mid-West Cond.	Butter	4 Tenn. Powder	Milk Mfg.	
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.	Cond.	Cheese	Powder	Milk Mfg.	
Dec.'60	3.440	60.491	13.130	37.750	3.82	3.37	3.50	3.25	3.82
Jan.'61	3.415	60.466	13.190	36.750	3.80	3.35	3.50	3.25	3.80
Feb.	3.240	60.460	13.180	33.938	3.62	3.30	3.50	3.21	3.62
Mar.	3.228	60.466	13.120	34.700	3.61	3.31	3.50	3.21	3.61
Apr.	3.230	60.466	14.325	34.625	3.61	3.31	3.58	3.19	3.61
May	3.188	60.466	14.615	34.344	3.57	3.31	3.61	3.13	3.61
June	3.122	60.466	14.820	34.250	3.50	3.31	3.61	3.11	3.61
July	3.154	60.466	14.865	34.375	3.53	3.31	3.61	3.10	3.61
Aug.	3.173	60.466	15.120	34.750	3.55	3.31	3.65	3.10	3.65
Sept.	3.182	60.466	15.105	35.025	3.56	3.32	3.65	3.10	3.65
Oct.	3.189	60.466	15.125	35.250	3.57	3.32	3.65	3.14	3.65
Nov.	3.206	60.466	15.070	35.250	3.59	3.32	3.65	3.15	3.65
Dec.	3.194	60.466	15.275	35.250	3.57	3.32	3.65	3.15	3.65

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Month	GROSS MILK 3/			PRODUCER MILK 3/				Deliveries Per			Prod.
	No.	Total	Class I	Class I	Total	Base	No.	Farm----		Pounds	Milk
	Hdlrs.	Receipt	Use	Use	Receipt	Receipt	Prod.	Prod.	Base	Exc.	Test%
Dec. '60	19	462,660	348,283	341,170	441,649	-	693	637	-	-	4.47
Jan. '61	19	453,461	348,486	342,735	438,370	-	682	643	-	-	4.46
Feb.	19	459,303	356,369	350,556	441,509	-	680	649	-	-	4.32
Mar.	19	491,471	358,734	354,390	470,370	425,350	679	693	626	67	4.22
Apr.	19	524,548	344,138	339,543	500,275	433,660	679	737	639	98	4.17
May	19	543,235	335,018	330,864	499,424	430,079	679	736	633	103	4.17
June	17	527,227	326,883	322,856	460,325	409,710	676	681	606	75	4.16
July	16	466,850	321,059	316,817	437,786	391,221	674	650	580	70	4.11
Aug.	16	482,411	331,307	326,824	455,734	-	683	667	-	-	4.10
Sept.	16	510,850	392,789	387,810	490,627	-	684	717	-	-	4.10
Oct.	16	496,512	359,804	355,333	484,049	-	685	707	-	-	4.33
Nov.	16	485,350	367,830	363,038	472,375	-	686	689	-	-	4.39
Dec.	16	494,324	351,891	347,812	476,639	-	685	696	-	-	4.41

^{1/} Excludes Premiums^{2/} For statistics only^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I;
Excess is Producer minus Base